

**NATIONAL GALLERY OF CANADA**  
**QUARTERLY FINANCIAL STATEMENTS**  
**For the six-month period ended September 30, 2025**

**UNAUDITED**

# **MANAGEMENT DISCUSSION AND ANALYSIS OF QUARTERLY FINANCIAL STATEMENTS**

## **For the six-month period ended September 30, 2025**

### **STRATEGIC DIRECTION**

For the 2025–26 fiscal year, the Gallery will continue to focus on five strategic pillars through which it plans to deliver its mandate and realize its mission:

- Strengthen Community Connections Through Transformative Art Experiences
- Build a Collection and Program That Inspire Human Connection
- Empower, Support and Build a Diverse and Collaborative Team
- Centre Indigenous Ways of Knowing and Being
- Invest in Operational Resilience and Sustainability

### **STATEMENT OF OPERATIONS**

The Gallery posted an operating deficit of \$1.9 million during the six-month period, compared to an operating deficit of \$0.9 million over the same period last year.

The Gallery earned \$4.6 million in operating revenue during the first six months of the fiscal year. Excluding proceeds from a co-ownership agreement in the comparable period, results are on par with the same six-month period of the prior year. All attendance driven revenues such as admissions, Boutique sales, memberships, and parking have slightly increased private event rentals have increased by \$0.2 million and investment income declined by \$0.5 million. The value of Contributed items to the Collection (art donations) decreased by \$4.9 million over the same period last year.

Excluding items acquired for the Collection, the Gallery spent \$30.4 million on operating expenses, compared to \$31.5 million over the same period in the previous fiscal year. The Gallery had notable increases in salaries and employee benefits (\$1 million) and notable decreases in professional and special services (\$1.4 million) and travel (\$0.2 million) as well as a decrease in repairs and maintenance of building and equipment (\$0.3 million) compared to the same quarter last year.

The Gallery purchased items for the Collection valued at \$4.2 million, compared to \$3.1 million in the first six months of the prior fiscal year. The Gallery was also in receipt of generously contributed items for the Collection valued at \$6.3 million.

The Gallery recognized \$26.4 million in Parliamentary appropriations, which is consistent for the same period last year.

### **FINANCIAL POSITION**

Cash and investments totalled \$29 million at the end of September. Of this total, \$19.2 million is for restricted purposes including art purchases, capital purchases, and restricted donations.

The Gallery's unrestricted net assets total \$6.2 million at the end of September.

**OUTLOOK**

The Canada Strong Pass was first introduced in summer 2025, will return for the upcoming holiday period from December 12, 2025, to January 15, 2026, and then again in summer 2026. Visitors under the age of 18 or between the ages of 18-24 enjoy free or discounted admission to some of the country's most iconic places, including the National Gallery of Canada.

The Gallery will be hosting an exciting range of exhibitions throughout the fall and winter season including Winter Count: Embracing the Cold, The Camera in the City, Women Carvers on the Northwest Coast, and the 2025 Sobey Art Award.

## STATEMENT OF MANAGEMENT RESPONSIBILITY

Management is responsible for the preparation and fair presentation of these quarterly financial statements in accordance with the Treasury Board of Canada's Directive on Accounting Standards: GC 5200 Crown Corporations Quarterly Financial Reports, and for such internal controls as management determines is necessary to enable the preparation of quarterly financial statements that are free from material misstatement. Management is also responsible for ensuring all the other information in this quarterly financial report is consistent, where appropriate, with the quarterly financial statements.

Based on our knowledge, these unaudited quarterly financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the corporation, as at the date of and for the periods presented in the quarterly financial statements.



Jean-François Bélisle  
Director and CEO



Mike Testa, CPA, CMA  
Chief Financial Officer

Ottawa, Canada  
November 21<sup>st</sup>, 2025

**STATEMENT OF FINANCIAL POSITION**

(in thousands of dollars)

**Assets**

	As at Sept 30, 2025	As at March 31, 2025
Current assets		
Cash and cash equivalents	\$ 3,886	\$ 2,002
Investment	6,109	9,440
Restricted investment	19,080	20,346
Accounts receivable	2,105	1,874
Inventory	737	721
Prepaid expenses	129	390
Deposit on items for the Collection	-	216
Total Current Assets	32,046	34,989
Collection	1	1
Capital Assets	57,414	58,497
	\$ 89,461	\$ 93,487

**Liabilities and Net Assets**

## Liabilities

## Current liabilities

Accounts payable and accrued liabilities	\$ 4,053	\$ 3,774
Accrued salaries and benefits	1,467	1,507
Deferred contributions for the purchase of objects for the Collection	4,607	5,046
Deferred contributions for the purchase of capital assets	4,793	4,635
Other deferred contributions	2,275	2,135
Total Current Liabilities	17,195	17,097
Deferred contributions for the purchase of capital assets	7,289	8,414
Employee future benefits	674	674
Asset retirement obligations	616	616
Deferred contributions for the amortization of capital assets	56,778	57,861
Total Liabilities	82,552	84,662
Net Assets		
Unrestricted	6,171	8,087
Investment in capital assets	622	622
Permanently endowed	116	116
Total Net Assets	6,909	8,825
	\$ 89,461	\$ 93,487

The accompanying notes and schedules form an integral part of the financial statements.

**STATEMENT OF CHANGES IN NET ASSETS**

For the six months ended September 30

(in thousands of dollars)

	Unrestricted	Investment in capital assets	Permanently endowed	2025	2024
Net assets, beginning of the year	\$ 8,087	622	116	\$ 8,825	\$ 11,436
Net result of operations for the year	(1,916)	-	-	(1,916)	(1,071)
Remainder of the year	-	-	-	-	(1,540)
<b>Net assets, end of the year</b>	<b>\$ 6,171</b>	<b>\$ 622</b>	<b>\$ 116</b>	<b>\$ 6,909</b>	<b>\$ 8,825</b>

The accompanying notes and schedules form an integral part of the financial statements.

**STATEMENT OF OPERATIONS**

(in thousands of dollars)

	Three months ended Sept 30, 2025	Three months ended Sept 30, 2024	Six months ended Sept 30, 2025	Six months ended Sept 30, 2024
<b>Revenues</b>				
Operating revenue	\$ 2,454	\$ 2,101	\$ 4,617	\$ 4,333
Interest revenue	233	479	500	1,001
Sponsorships and contributions	1,132	1,517	1,230	1,976
Contributed items for the Collection	916	9,809	6,322	11,192
Total operating revenue, sponsorships, and contributions (Schedule 1)	4,735	13,906	12,669	18,502
<b>Expenses</b>				
Collection				
Operations	2,310	2,240	4,776	4,744
Purchase of items for the Collection	919	1,882	4,399	3,111
Contributed items for the Collection	916	9,809	6,322	11,192
Total - Collection	4,145	13,931	15,497	19,047
Outreach	4,225	4,332	7,987	9,593
Accommodation	5,233	5,279	10,406	10,458
Internal Services	3,494	3,741	7,246	6,710
Total expenses (Schedule 2)	17,097	27,283	41,136	45,808
Net results before Parliamentary Appropriations	(12,362)	(13,377)	(28,467)	(27,306)
Parliamentary Appropriations	11,815	13,525	26,551	26,383
Net Result of Operations	\$ (547)	\$ 148	\$ (1,916)	\$ (923)

The accompanying notes and schedules form an integral part of the financial statements.

**STATEMENT OF CASH FLOWS**

For the six months ended September 30  
(in thousands of dollars)

	<b>2025</b>	<b>2024</b>
<b>Operating activities</b>		
Cash received from clients	\$ <b>3,328</b> \$	3,127
Parliamentary appropriations received	<b>23,712</b>	24,510
Cash paid to suppliers	<b>(14,566)</b>	(16,851)
Payments related to salary and benefits	<b>(16,464)</b>	(16,615)
Interest received	<b>598</b>	1,031
Total cash flow used for operating activities	<b>(3,392)</b>	(4,798)
<b>Investing activities</b>		
Acquisition of investments	<b>(25,000)</b>	(30,000)
Disposal of investments	<b>29,500</b>	30,000
Total cash flow from (used for) investing activities	<b>4,500</b>	-
<b>Capital activities</b>		
Payments related to capital acquisitions	<b>(1,818)</b>	(1,061)
Total cash flow used for capital activities	<b>(1,818)</b>	(1,061)
<b>Financing activities</b>		
Funding for the acquisition of capital assets	<b>500</b>	500
Restricted contributions and related investment income	<b>2,094</b>	2,421
Total cash flow from financing activities	<b>2,594</b>	2,921
Total cash inflows (outflows)	<b>1,884</b>	(2,938)
Cash and cash equivalents, beginning of the year	<b>2,002</b>	7,696
Cash and cash equivalents, end of the period	\$ <b>3,886</b> \$	4,758

The accompanying notes and schedules form an integral part of the financial statements.

## **SELECTED NOTES TO THE UNAUDITED QUARTERLY FINANCIAL STATEMENTS**

**For the six months ended September 30, 2025**

### **1. NOTICE TO READER**

These unaudited quarterly financial statements must be read in conjunction with the most recent annual audited financial statements and with the narrative discussion that follows.

### **2. AUTHORITY, OBJECTIVES AND ACTIVITIES**

The National Gallery of Canada (the Gallery) was established on July 1<sup>st</sup>, 1990 by the *Museums Act* as a Crown corporation under Part I of Schedule III to the *Financial Administration Act* and is not subject to income tax under the provisions of the *Income Tax Act*.

The Gallery's mandate as stated in the *Museums Act* is to develop, maintain and make known throughout Canada and internationally, a collection of works of art, both historic and contemporary, with special but not exclusive reference to Canada, and to further knowledge, understanding and enjoyment of art in general among all Canadians.

The Gallery's operations are divided into four mutually supportive activities which work together to meet all aspects of its mandate. These activities are:

#### **Collection**

The Gallery collects Canadian and international art. It conducts research that contributes to the advancement of knowledge and understanding of Canadian and international art. It also preserves its national collection for present and future generations, through restoration and conservation.

#### **Outreach**

The Gallery furthers knowledge, understanding and enjoyment of the visual arts through onsite and travelling exhibitions, which it produces alone, or in partnership with other museums. It lends works of art from the national collection for inclusion in a wide range of special exhibitions produced by other museums in Canada and abroad. It undertakes educational initiatives that contribute to an increased understanding of the visual arts – including tours, lectures, audio and print guides, videos, workshops, in-gallery activities for families, educational programs for children, resources for teachers, and special exhibition-related programming. The Gallery develops a range of art-related content for its website and social media platforms, and produces exhibition catalogues and publications, in print and digital format, contributing to the shared knowledge of art history.

#### **Accommodation**

The Gallery operates from its flagship building on Sussex Drive in Ottawa, manages two leased storage facilities and the Canada Pavilion in Venice, Italy, and occupies space in the Ingenium Centre of the National Museum of Science and Technology Corporation. It ensures that building operations are carried out efficiently, and that sound investments are made in capital infrastructure, so that facilities are secure and suitable for visitors, staff, volunteers and contractors, as well as for the preservation and exhibition of the national collection.

#### **Internal Services**

The Gallery maintains and ensures sound governance, effective financial and human resource management, and revenue optimization, in support of its programs and initiatives.

### 3. BASIS OF PRESENTATION

These unaudited financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS) for government not-for-profit organizations (GNFPO). The Gallery has prepared these financial statements under Section 4200 series of PSAS. Accounting policies and methods of computation in these quarterly statements are consistent with those of the annual financial statements. The Gallery applies the deferral method of accounting for contributions for government not-for-profit organizations.

### 4. TOTAL APPROPRIATIONS AUTHORIZED BY PARLIAMENT

For the fiscal year ended March 31  
(in thousands of dollars)

<b>For operating and capital expenditures</b>	<b>2026</b>	<b>2025</b>
Main estimates	\$ 40,424	\$ 42,020
Supplementary estimates	2,163	-
	<b>42,587</b>	42,020
<b>For the purchase of items for the Collection</b>	<b>8,000</b>	8,000
<b>Total appropriations authorized by Parliament</b>	<b>\$ 50,587</b>	<b>\$ 50,020</b>

### 5. PARLIAMENTARY APPROPRIATIONS RECOGNIZED AS REVENUE

For the six months ended September 30  
(in thousands of dollars)

	Three months ended Sept 30, 2025	Three months ended Sept 30, 2024	Six months ended Sept 30, 2025	Six months ended Sept 30, 2024
<b>For operating and capital expenditures</b>				
Main estimates	\$ 10,106	\$ 10,505	\$ 20,212	\$ 21,010
Supplementary estimates	-	-	-	-
	10,106	10,505	20,212	21,010
Appropriations deferred for the purchase of capital assets	(250)	(250)	(500)	(500)
Amortization of deferred contributions related to appropriations	1,200	1,250	2,400	2,500
	11,056	11,505	22,112	23,010
<b>For the purchase of items for the Collection</b>				
Main estimates	2,000	2,000	4,000	4,000
Appropriations recognized from prior years	3,366	7,496	5,046	6,849
Appropriations deferred to future years	(4,607)	(7,476)	(4,607)	(7,476)
	759	2,020	4,439	3,373
<b>Total Parliamentary appropriations</b>	<b>\$ 11,815</b>	<b>\$ 13,525</b>	<b>\$ 26,551</b>	<b>\$ 26,383</b>

## 6. DEFERRED CONTRIBUTIONS

For the six months ended September 30  
(in thousands of dollars)

	Deferred contributions for the purchase of objects for the Collection	Deferred contributions for the purchase of capital assets	Other deferred contributions	2025	2024
Beginning balance, as at April 1	\$ 5,046	\$ 13,049	\$ 2,135	\$ 20,230	\$ 24,065
Appropriations received in the period	4,000	500	-	4,500	4,500
Other funding	-	-	1,257	1,257	1,987
	9,046	13,549	3,392	25,987	30,552
Amounts recognized as revenue in the period	(4,039)	-	(1,117)	(5,156)	(5,087)
Related acquisition costs	(400)	-	-	(400)	(400)
Purchase of capital assets in the period	-	(1,467)	-	(1,467)	(835)
<b>Ending balance</b>	\$ 4,607	\$ 12,082	\$ 2,275	\$ 18,964	\$ 24,230

## 7. DEFERRED CONTRIBUTIONS FOR THE AMORTIZATION OF CAPITAL ASSETS

These amounts represent the unamortized portion of Parliamentary appropriations and donations used to purchase depreciable capital assets.

(in thousands of dollars)

	Three months ended Sept 30, 2025	Three months ended Sept 30, 2024	Six months ended Sept 30, 2025	Six months ended Sept 30, 2024
Balance, beginning of period	\$ 57,280	\$ 59,370	\$ 57,861	\$ 60,279
Acquisition of capital assets	773	420	1,467	836
Amortization of capital assets	(1,275)	(1,325)	(2,550)	(2,650)
Balance, end of period	\$ 56,778	\$ 58,465	\$ 56,778	\$ 58,465

**SCHEDULE #1: OPERATING REVENUE, SPONSORSHIPS, AND CONTRIBUTIONS**

For the six months ended September 30

(in thousands of dollars)

<b>Operating Revenue:</b>		<b>2025</b>		<b>2024</b>
Boutique and publishing	\$	<b>1,350</b>	\$	1,131
Admissions		<b>1,463</b>		1,362
Parking		<b>700</b>		683
Memberships		<b>277</b>		272
Rental of public spaces		<b>456</b>		278
Education services		<b>87</b>		31
Art loans		<b>113</b>		94
Travelling exhibitions		<b>20</b>		50
Food services		<b>107</b>		76
Proceeds of co-ownership agreement		<b>-</b>		324
Other		<b>44</b>		32
		<b>4,617</b>		4,333
<b>Interest revenue</b>		<b>500</b>		1,001
<b>Sponsorships and Contributions:</b>				
Sponsorships		<b>100</b>		100
Contributions				
Contributed items for the Collection		<b>6,322</b>		11,192
From the National Gallery of Canada Foundation		<b>960</b>		1,393
From other individuals, corporations and foundations		<b>170</b>		483
		<b>7,552</b>		13,168
<b>Operating revenue, interest revenue, sponsorships and contributions</b>	<b>\$</b>	<b>12,669</b>	<b>\$</b>	<b>18,502</b>

**SCHEDULE #2: EXPENSES**

For the six months ended September 30

(in thousands of dollars)

		<b>2025</b>		2024
Salaries and employee benefits	\$	<b>16,424</b>	\$	15,425
Purchased items for the Collection		<b>4,399</b>		3,111
Contributed items for the Collection		<b>6,322</b>		11,192
Amortization of capital assets		<b>2,550</b>		2,650
Payments in lieu of taxes		<b>1,733</b>		1,700
Professional and special services		<b>1,220</b>		2,671
Insurance		<b>318</b>		349
Repairs and maintenance of buildings and equipment		<b>2,215</b>		2,528
Protection services		<b>2,105</b>		1,996
Utilities, materials and supplies		<b>1,240</b>		1,310
Freight, cartage and postage		<b>562</b>		382
Travel for public servants		<b>136</b>		253
Travel for non-public servants		<b>266</b>		395
Hospitality		<b>48</b>		41
Conferences, training and related travel		<b>33</b>		60
Publications and printing		<b>150</b>		250
Cost of goods sold – boutique		<b>623</b>		583
Advertising		<b>189</b>		315
Rent		<b>334</b>		296
Communications		<b>91</b>		96
Library purchases		<b>74</b>		62
Rentals of equipment		<b>60</b>		88
Fellowships		<b>18</b>		24
Miscellaneous		<b>26</b>		31
<b>Total expenses</b>	<b>\$</b>	<b>41,136</b>	<b>\$</b>	<b>45,808</b>